

G. R. S. IX-5]

Previous references.

9711-17-(46)

1921.

97 File No. 3 8-19

Serial Nos.

(1-7)

Later references.

97158-20-1

(97)

GENERAL AND REVENUE SECRETARIAT.

Serial Nos.

(1-7)

Part B for

July 20.

SUBJECT.

Report on the Surpension of the
mining Companies held on 21st & 22nd July, 1919.

GENERAL AND REVENUE SECRETARIAT.

(52)

NOTES.

File No. 32.

FILE HEADING.

Inspection of the Mining Companies

From

The offg. Comptroller

No. Books 173

Dated 26/7/19.

Received 2/8-

Diary No. 315

Enclos.

Spare Copies.

Serial No. 1

BRIEF ABSTRACT OF LETTER.

Submits The Report on The inspection of the mining Companies held on 21st and 22nd July 1919.

NOTES AND ORDERS.

The G.O. directing The Submission of The Report is put up

Para 2 of The order directs that the 1st inspection may be conducted by arrangements with the Secretary + Treasurer - messrs John Taylor & Son

34

File No.

38

of 1917.

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Committee sometime in the month of June 1919.
By the Chief Inspector of Mines & the Comptroller
The inspecting officers are requested
to submit along with the report of the
1st inspection suggestions in regard to
the actual work to be done in the
course of annual inspection in future.

It is not known whether the Chief
Inspector's Report has been received or not.

This may be sent to the
General Miscellaneous Section ^{of the Chief Secret}, where the
previous papers were dealt with.

The inspection was
conducted in association
with the C. I. of Mines

Sub
mt
6/8
mi

1) The Finance branch is not aware
of the contents of the company's letter
of 5.9.19 referred to in the inspection
notes - paras. 1-3. May a copy
be called for.

2) The reference made to the
~~the~~ company's from the Finance, in
regard to future arrangements for
payment of royalties and other revenues in
India is still pending disposal.
~~the proposed~~ ^{See 2 of 1917} ~~the proposed~~ ^{See 2 of 1917}

3) Reply from the O.I. also in
connection is awaited -

4) As regards para 4 & 5a, the Com

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are paid by the Mint for the two monthly consignments separately or whether the payment ^{for} of each month is settled once for all. If the Companies be paid separately for each consignment, I do not see why we should wait for a monthly payment. The relevant clauses of the lease are 14 and 15, which are reproduced below:--

Clause 14.--"AND ALSO WILL immediately after any sale of the said gold, metals, metallic ores, precious stones, coal and other substances give to the Lessors or their agent or agents a return of the prices for which ^{the} same respectively shall have been sold and if required the names of the purchasers thereof"

Clause 15.--"AND ALSO WILL within ninety days of any such sale or within six months from the time of the extraction of the ore or the finding of ~~the~~ precious stones, pay to the Lessors the royalties of five per centum and ten per centum hereinbefore reserved."

The provision in the lease is therefore for submission to the Lessors of a statement of sale immediately after the gold is sold. I think under this clause, we have to insist upon two accounts of sale being rendered to us monthly, if the arrangements entered into by the Companies with the Bombay Mint is that of selling their produce twice a month to the Mint.

As regards the period within which we should set our royalty calculated upon the net sale proceeds we have to ascertain what the arrangement between the Companies and the Mint is in regard to the payment, for gold bought by the latter. If gold is sold twice a month in India and if the Companies realise their sale proceeds also twice a month I think it will be perfectly reasonable on our part

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There seems to be no objection
to the
The suggestion made by the
Comptroller to obtain an
abstract of personal accounts
in the form of 2, for each
consignment separately
before being approved.

Note is under disposal in the Chief Secy.
This branch is not aware of the nature of the
question - In the meantime the proposal of the Comptroller
para 3, may be approved.
5) Paras 5, 7 & 8.

The offer, which the Dumbur have the accounts
of the details of all the transactions brought in the
books at home and not included in them maintained
may be accepted - It is stated that verification
of the correctness of royalties payable on diamonds
is not possible here -

6) Para 9 relates to the audit of the accounts
of the Chief Secy of Mining - His suggestion the
arrangement of sending to that office
under B statement - may be approved.

Submitted for orders.

Yours,

Para 1 of the Comptroller's note of Inspection.

I understand that a communication has been received by the Comptroller from Messrs. John Aylor & Sons, regarding the payment of a portion of the royalty in India. This is a very important matter on which I believe the Comptroller is addressing the Government separately. His report may be awaited.

The Comptroller refers to the delivery by the Companies to the Bombay Mint of ~~xxxx~~ their month production in two consignments. An important point to ascertain in this connection is if the Co

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to request the Companies to pay us royalty as soon as the value of gold is realised by them ~~and~~ and there should be no need for deferring payment for the long period for which provision is made in clause 15. Until, however, the exact arrangement in regard to sale of gold and the payment of its value to the Companies is known, it will not be possible to express any definite opinion on the point raised by the Comptroller in this para of his Report.

(11)

Para 2 of the Comptroller's note of Inspection.

The realisation of water revenue in London puts us to no loss, as ^{the} amount is payable in silver ~~and the payment is made~~ ^{at} ~~the~~ ^{bond} at the current rate of exchange. As regards the power revenue, it is fixed in sterling and is payable in England. Doubtless this arrangement in the agreement with the Companies was influenced by the consideration that the Companies were selling their gold in London and that it was therefore more convenient for them ^{in London} to pay for the power that they had taken, out of the sale proceeds of their gold realised there. This position is now altered as they dispose of a part--as appears from the Comptroller's report--of their gold in India and if it is to our advantage to ask for the payment of the power revenue also in India, I think we have a reasonable claim to do so, in view of the altered condition. If the sale proceeds are realised in India they cannot reasonably raise any objection, the condition in the agreement notwithstanding, to pay us the power revenue also in India.

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12 As to whether we should ask for the payment of power revenue in India, the question is one to be considered with reference to our sterling demands for meeting which, we should keep our London Bankers in funds. Our sterling demands fluctuate largely according to foreign purchases required for our capital works and other works. The future course of ~~ex~~change is another uncertain factor in the calculation. If we should ask the -- Companies to pay the power revenue as well in India, the question of the exchange rate at which they -- should ~~pay~~ pay us, will arise. Until however we have settled the case in regard to the payment in India of royalty in silver, we shall not be in a position to consider the case in regard to the payment of power revenue.

13 Para 3 of the Comptroller's note of Inspection.

The Comptroller has not yet sent to Government a copy of the Companies' letter dated - 5th July 1919. He may be requested to send it soon. There is no objection to receive payment in India for Water and Police Bills. The arrangement made by the Comptroller with the Secretary and Treasurer for payment of these bills by means of cheques on the Bank of Madras is convenient. I think even in regard to the royalty to be received in India, we should ask the Companies to pay it to the credit of our account either with the Bank of Madras, Madras, or the Bank of Bombay, Bombay, according to our convenience.

14 Para 4 of the Comptroller's note of Inspection.

The point referred to in this para occurs

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me in studying some -questions relating to the calculation of royalty payable under the leases and I asked the Chief Inspector of Mines to obtain from the Companies some information required for completing my study of the question. The reply received is not quite to the point and I have requested the Comptroller to obtain further information on it. I shall submit a note on it, if I find on receipt of the information required that my view of the question is correct.

4. Para 5 of the Comptroller's note of Inspection.

It was very kind of Mr. Nye to have agreed to obtain the details pertaining to items of expenditure and make them available for our inspection. The study of the expenditure side of the account is necessary for verifying the additional royalty of $2\frac{1}{2}$ per cent. payable to us under -- clause 9 of the lease. The Comptroller may -- therefore request the Secretary and Treasurer to obtain a complete record of the expenditure side of the account and make ^{it} available for inspection.

Para 5 (a) of the Comptroller's note of Inspection.

16 I have submitted a note on the question referred to in this para and I understand that ^{it} is under consideration in the Chief Secretariat.

Para 6 of the Comptroller's note of Inspection.

17 I do not think it is advisable to formally address the Companies' Auditor in regard to matters affecting our interests. After all the Auditor is engaged and paid by the Company ^{ies} and we cannot always feel sure of obtaining his impartial

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opinion on ~~any~~ matters that might be referred to him. Besides the Companies are not likely to approve of the arrangement under which we refer to their Auditor points arising out of our relations with them. The Comptroller however, may, during his annual inspections informally and tactfully discuss any points about which he considers that a consultation with the Companies' Auditor on the Field is advisable.

Pars. 7 & 8 of the Comptroller's note of Inspection.

18 The lines on which the Comptroller has conducted the inspection are all right. As for the verification of the additional royalty of $2\frac{1}{2}$ per cent. the Comptroller may, as suggested above, (Vide Para. 5. supra) arrange with the Secretary and Treasurer to obtain such record of the expenditure side of the account as is necessary for verification of this part of royalty.

Par. 3(a) of the Comptroller's note of Inspection.

19 The Comptroller may as proposed in this para consult the Secretary and Treasurer on matters of importance during annual inspections.

20 I would propose that for some years this ~~xxx~~ annual inspection be conducted by the Comptroller himself and that the work be not delegated to any Assistant#.

Para 9 of the Comptroller's note of Inspection.

21 A comparison of the Departmental and the Comptroller's figures is necessary and the suggestion of the Comptroller made in this para may be approved.

*Dewan Khos
Joint Member.*

General and Revenue
Secretariat.by ~~File~~ File No. 38 of 1919-20Serial
No.1152-317
13.8.19.

The results of the first joint inspection appear to be satisfactory & I think the work made is quite in the right direction also. The Comptroller's note of inspection of the Fin Secy note here on both furnish interesting reading. As regards the views expressed in them, I am in general agreement with those of the Fin. Secy. The inspection appears to have passed off smoothly and every credit is due ^{to the officers concerned} for the tactful manner in which it was managed. It seems that the courtesy of a polite letter to the Mining Board, thanking them for their co-operation in a ^{matter of much} delicacy, is due also. I would suggest the note of inspection being sent to the Director of M.S.G. & his remarks, if any, on it, included. A report is, I think, also, due from the C. of Mines.

Deewan

Recd
15.8.19 18
16/8

General and Revenue
Secretariat.

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- 1 The letter dated 5th July 1919 regarding the payment in India for power and water may be submitted early. It is not clear from the first para of the Comptroller's letter as to the portion of the royalty due to Government that will be paid in India. In view of the depreciation of sterling and the improbability of the rupee regaining its former value for some considerable time it would seem to be advantageous to get as large of the portion of the royalty as possible paid in India. The Financial Secretary has recommended in another connection that our expenditure this year should be reduced to the extent of ten lakhs, owing to the decrease in revenue consequent on the rise in exchange. It is therefore not clear why he does not recommend action with a view to getting at least the power revenue on the gold sold in India paid locally. The time would seem to have come for the Government to come to some definite conclusion as regards:-
- (1) the amount of revenue that it is advisable for Government to continue to obtain in sterling in London, with references to our probable purchases in England during the next two or three years.
 - (2) the amount of the revenue due on account of royalty and power that it is advisable

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No.

27) Extract of para 2 of the Dewan's order
may be sent to the Chief Secretariat,
as regards the question of calculation of
royalty on profit in stead of on
Dividends.

28 Draft letter to Messrs John Taylor
& Sons (committee to be put up).

encl
19-8-19

^{also}
Sub with draft.

note

20/8

~~19/8~~
26/8

29

Reser, vide last. 18

attendance of members 22/8
minutes - for action.

- (1) Please put up fair draft to
the Secy & Treasurer & a draft
sending complete report to the
- (2) Dir of M & Co for remarks.
Another draft to the C D of
- (3) Mines Calling for a report of his
inspection may also be put up

Early

encl
31-8-19

X + X

All the three drafts required are put up

Subd

WNCr

1/9

m2

Reser)

Some draft (2) & (3) 18/8

P Jc

encl
15/9/19

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No.

The delay in the office
in the submission of this
file as per the
order of 15.9.19
is not satisfactory.
18
7-10-19.
Letter
Draft issued.

2530-170
11.10.19

~~For~~ For approval of draft letter to
Dewan Hon. Secy & Tr. Messrs. Taylor 18
(1st member) Secs Committee - Org. Comm. 7-10-19.

Draft approved.
Letter may issue now.

12.10.19.

Issue and then
submit to Dewan for info.
18
13/10

DEWAN'S OFFICE.

Recd. on OCT 17 1919

Reg. No. 2476

Dewan) for favour of perusal.

18
13/10

(Seen by the Dewan)

CRS

18
20/10

~ MB
To
18.10.19

(5)

The Secretary & Treasurer: Messrs. Taylor & Sons
Committee. Org. Comm.

No. D. C. 137. G. 7. 38-19-5-D. 15.10.19.

Conveys the thanks of Govt. for all the
facilities afforded to the inspecting officers
in performing their work.

General and Revenue
Secretariat.

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No.

6.

From the Secretary & Treasurer.

Messrs John Taylor & Sons' Com.

Letter D: 18th Oct 1919

inform that the Committee have
received with great pleasure the
intimation contained in the previous
Serial.

Subd for perusal

noted
21/10.

W
21/10

21/10

W
23/10

Attention is invited to para² of
the Secretary's note dated 19/8/19
where he has stated that definite
^{re. Royalty & Power Revenue}
proposals shall be submitted after
full details of the arrangement under
which the Companies sell their gold
to the Bank of Bombay are ascertained. Messrs
John Taylor & Sons' Committee are addressed
in the matter and their ^{final} reply is
awaited.

As regards the orders in para
27, a memo forwarding the Extract

G. R. S. File No. 38 of 1917

Serial
No.is submitted for approval or other
orders

mkr

27/10

1/11

Issued

3.11.17

memo d. 4/18/19. forwarding for
information & necessary action the subject
of Dewan's order in C. R. S. The question of the
two 1/2 pt. royalty being leviable on profits
instead of dividends

See
how the case
is being
handled

Mr.
11/2/17

It is ascertained that

vide G. R. 1446-8-20 20
Serial 106-18-4

This may be marked

For B. S. S.

the receipt of final
report from Genl. Secy.

Subd.
10/12/17

It is ascertained that
further action in the matter of the calcula-
tion of 2 1/2 % Royalty on profits instead
of on dividends is being taken in
G. R. file 106-18-4. This may be done

2315

9.7 38-49.

Please address all future communications
to the Comptroller to the Govt. of H.H.
the Maharaja of Mysore.
In reply to this Comn. please refer to

No.
Books 173 Enc/Resp. report.

OFFICE OF THE COMPTROLLER TO THE
GOVERNMENT OF HIS HIGHNESS THE MAHARAJA
OF MYSORE.

Dated, Bangalore, the

1926⁶ July 1919.

FROM

2353

T. Satyaraj Chetty Esq., B.A.,

~~XXXXXXXXXXXXXXXXXXXX~~

Comptroller to the Government of

His Highness the Maharaja of Mysore.

M. N. Krishnam Rao Esq., B.A.,

Secretary to the Government of Mysore,

Financial Department.

SIR,

Adverting to Government Order No.G.22878-N.Geo.115-75-5 dated
the 8th April 1919, directing that the accounts of the Mining Companies
be inspected once a year, I have the honour to submit herewith my notes
of inspection conducted in association with Mr. Bocquet, Chief Inspec-
tor of Mines, on the 21st and 22nd instant.

I have the honour to be,

Sir,

Your most obedient servant,

T. Satyaraj Chetty
Offg. Comptroller

CV/26-7

C. O. 42-Rec.—17]

.....Department

191

FROM

M. N. KRISHNA RAO, ESQ., B.A.,
Comptroller to the Govt. of
H. H. the Maharaja of Mysore.

To

.....Esq.,
Secretary to the Govt. of Mysore,
Dept.

Dated

Despatched

Received

No.....

Notes of inspection of the Registers and Accounts pertaining to the Gold Mines conducted on the 21st and 22nd July 1919.

I saw Mr. Nye, the Acting Secretary and Treasurer, Messrs. John Taylor and Sons Committee, at Ooregaum in his office.

I first discussed with him some of the general questions pertaining to the Royalty Account, such as the payment of a portion of the Royalty in India and the payment in -- India of the amount due to Government on account of the power and water supplied to the Mines and the Police force lent to them. Mr. Nye gave me to understand that beyond the freight, insurance and other incidental charges on the gold remitted from the mines to the Bombay Mint, no further deductions will be made from the value of gold sold to the Government of India on which Royalty will be paid to us. The gold will be delivered at the Bombay Mint in two consignments monthly, and Mr. Nye was willing to arrange for accounts being rendered to us separately for each consignment, or once a month for both the consignments, the payment of course being made once a month. It would be convenient to get a monthly account instead of two separate accounts for each month and I propose, with the formal approval of Government, to inform the Secretary and Treasurer accordingly.

2. In regard to the payment of the Power Revenue, it is payable in England in sterling under the existing contract. Owing to the loss we would be put to, in having to transfer our London reserve to India under the prevailing high rate of Exchange, in the event of its being in excess of our -- demands for sterling payments, I sounded Mr. Nye if it

would be possible to pay us the power revenue also in India. Mr. Nye informed me that as the contract provided for the payment in England, it may not be possible to -- alter the procedure during its currency, but that if the Government so desire, the case may be referred to the Secretary and Treasurer here who would submit it to Messrs. John Taylor and Sons, London, with his support. It is a point, however, for consideration whether we should ask for the concession during the currency of the contract, in as much as half of the 5% Royalty would in future be paid in India and only the remaining half would be paid in England, and we may not find it necessary to transfer any portion of our gold reserve to India, after meeting our sterling payments in England. In view however of the present high rate of exchange, it may be observed that the payment of as much as possible of our dues in India, even if it should necessitate the transfer of funds from India to England would not be disadvantageous to us.

3. In regard to the payment of water bills and those for Police charges, which, as intimated by the Company in their letter dated 5th July 1919, would be paid in future in India, I have, after some discussion with Mr. Nye, arranged for their payment into the Bank of Madras or by cheque on that Bank with ^{which} ~~what~~ we have a deposit account.

4. I had a talk with Mr. Nye in regard to the question of income-tax on dividend paid to shareholders raised by Mr. M. N. Krishna Rao (now Offg. Financial Secretary), when he was Comptroller, in his letter No. Bks. 3499 dated 25th June 1919, enquiring whether the tax is included in the item "Income-tax" in profit and loss account of each Company. The reply furnished by Messrs. John Taylor and Sons, London, as intimated by the Secretary and Treasurer

in his letter dated 5-7-19, is not quite clear. Mr. Nye informed me that the Company pays the tax due to Government calculated on the gross profits and recovers the tax due on the portion of profits paid as dividends from the shareholders, to whom the dividend minus the tax is paid, so that it is the shareholders that virtually pay the tax on the dividend. Adjustments pertaining to these transactions are made in the Home accounts. It was not possible to verify them from the books maintained in the office of the Mines here.

5. In this connection I may note that Mr. Nye expressed his willingness to obtain the details pertaining to any item of expenditure in respect of which they may not be obtainable from the books here. He also stated that it may even be possible, if the Durbar so desire, to let them have the account of the details of all the transactions brought on the books at Home and not included in those maintained here. ^{5.A.} The propriety of calculating the additional Royalty of $2\frac{1}{2}\%$ on dividends paid to shareholders, instead of on actual profits, has been dealt with in detail by --- Mr. Krishna Rao in the note submitted by him to Government with his letter No.2935/Books dated 11/15-4-1919. As orders of Government are awaited on this question, which raises a very important issue, I did not discuss it with Mr. Nye.

6. During the course of my discussion with Mr. Nye, he suggested that any question affecting the interests of the Durbar may advantageously be referred to the Auditor of the Companies' accounts and his impartial opinion obtained before formally referring it to the Company.

7. I inspected the registers and accounts maintained in the office of the Ooregaum Gold Mines ^{ing} Company, which may be divided into three sets:-

- (i) Registers and accounts pertaining to the production of gold.
- (ii) Receipt and expenditure accounts
- (iii) Classification and compilation and the preparation of the account current between the Superintendent in India and the Company in London.

Though the major portion of the transactions pertaining to the Mines is carried on here, the balances at the end of each year are all transferred to the Head Office in England, and treated as remittances from England to India. Statistical records are maintained of the cost covering all expenditure whether paid for in India or in England excepting Home Office charges.

8. So far as we are concerned, the main portion of our mining revenue consists of 5% Royalty calculated on the value of gold produced, and it seems sufficient for our purposes if the account of one or two months are inspected annually, and we satisfy ourselves by a test-audit of a month's accounts that the value of gold produced as accounted for in the accounts rendered to us is borne out from the initial accounts ^{registers} ~~and reports~~ maintained in the offices of the mines. I accordingly tested the accounts for December 1918, of the Ooregaum Gold Mining Company and found it to be correct. I have taken a note of the registers relating to the production of gold which will be found in the appended Memorandum. In regard to the additional two-and-a-half per cent Royalty, calculated on dividends, it is not possible to verify it with the accounts maintained here. We have to depend for this on the annual published accounts of the Mining Companies, which are based on the accounts maintained in England. The annual visit of one of the Accounts Officers to the Gold Fields, may, with advantage, be utilised in exchanging views with the Secretary and Treasurer at Ooregaum on important questions, if any, affecting the interests of Government.

9. I availed myself of the opportunity of ~~my~~ visit to the Gold Fields to have a look at the registers and accounts maintained in the office of the Chief Inspector of Mines. They mostly consist of registers maintained for administrative and statistical purposes. The monetary transactions are few and they consist of receipts derived mainly from fees for examination of mestris for specially qualifying themselves for work in the mines, which amount to Rs.250/- on an average each month, and of contingent charges for which the Chief Inspector holds an imprest of Rs.100/-. As a result of some discussion, I had with Mr. Bocquet, Chief Inspector of Mines, it was agreed that as soon as possible after the account of gold sales and Royalty for December, are booked in the --- Comptroller's office, the statement of Demand, Collections, and Balances for the preceding calendar year should be intimated to the Chief Inspector to enable him to check the figures in his books and incorporate them in the reports published by the Department annually.

10. Mr. Bocquet very kindly took me to the Champion Reefs Gold Mines and explained to me the process by which quartz is crushed and then amalgamated, sponge gold then extracted therefrom, the same is purified and pure gold separated, melted and cast into moulds finally resulting in bar gold. He showed me the several registers and accounts maintained by each department which enabled me to make out the connecting links leading up to the final gold sale accounts. I had ~~had~~ the opportunity of very closely observing how sponge gold removed from the hot furnaces were weighed and the weight recorded, and the weighed pieces transferred to the cashier for being reweighed and stored in the strong room. The whole -- business is done under the supervision of covenanted officers recruited from England. I must add that I was greatly impres-

Memorandum

of the Registers maintained in the Office of the Superintendent Ooregum Gold Mining Company India Ltd. with regard to the production of G.O. (Sample forms appended)

~~The~~ Similar Registers are said to be maintained in the other mining Companies also.

1). Amalgam Book (Daily Register)

The quantity of amalgam produced every day is personally verified by the Superintendent of the Company & initialed by him in token of correctness.

2). Gold melting Account Book (mills)

3). Cyanide works No 1. (~~mills~~)

4). ——— do ——— No 2.

5). Total gold Returns Register

6). Summary of Returns from Cyanide Plants.

7). Bullion Assays.

(8) Gold melting Account.

(9). Cyanide Returns (Annual Summary)

(10). Milling Returns (—— do ——)

(11). Total Gold Returns (—— do ——)

12). Gold Returns Book.

(original of the Statement of materials treated & G.O. produced each month, a copy of which is sent to the Comptroller's Office every month).

Register No. 2.
Gold melting Account Book. (mill)

Date	Bar No.	Sponge Gold Oz.	Bar Gold Oz.	Loss in melting		Amalgam Yielded	
				Ounces	Percentage	% Sponge	% Bar Gold.

Statement.

Actual Bar gold produced: Oz.

Taken from Stock. - - Oz.

Added to Stock (Oz) - -

Bar gold Returned

Stock Account.

On - - (date) - - - - - Oz. of Bar gold being

an increase of - - - - - ounces.
decrease of

~~Form~~ 12 3 & 4.

Cyanide works. (mills) Nos. 1. & 2. (in two separate Reports)

Bar No.	Ballion Ounces.	Fineness (gold)	Fine Gold Ounces	Fineness (Silver)	Silver Ounces	Weight	
						Tolas	grains

The Tonnage Examined during the month of and
Assay Value of dwts. --- grs. per Ton = ... ozs.

Plus difference from previous months } ozs.

Fine gold in Bullion = ... ozs.

Discharged with Residue = - - - - ozs.

..... $\Gamma_{\text{out}} @$ $\text{dwb} \text{ --- } \mu =$

Extraction as per assay:-

Excess in process over }
away as he gets recovered.

Chief Reduction Officer

(Register N° 4 is the same as Ref- N° 3).

The Total 906 Returns Register

Cyanide works.

Total Job Returns.

Source	Tons	Bar Gold Oz.	Fine Gold Oz.	Standard Gold Oz.	Fine gold for mint.	
					dwt.	grains

Summary of Returns from Ujande Plans

Plant	Tonnage	No. of Bars.	Gross Bullion Ounces.	Fine gold Ounces	Standard gold Ounces	Fineness: parts per 1000		Fine Silver Ounces.
						gold	Silver	

Cabled

Now yielding - - - - - Ounces Bullion.

Showing an increase or decrease of - - - - - Ounces from previous month.

Remarks: —

Chief Reduction Officer.

Bullion Assays.

	Bar gold Ounces	Fineness per 1000.		Fine gold Ounces.	Standard gold Ounces.	Fine silver Ounces.
		Gold	Silver			
Bar Number:						
I. Instalment { mill gold						
II. Instalment { No 1. works						
{ No 2. works.						
mill gold.						

Remarks.

Crushed - - - - - Tons.

Fine gold Returned - - - - - ounces

Being an increase or decrease from previous month of
- - - - - ounces.

Remarks. - - - - - Mill Bars.
- - - - - Cyanide Bars.

Cyanide

Month.	Sand & Slimes treated.	Assay Extraction.						Gross Bullion Recovered.				Average ness per	
		Assay Value per ton				Extraction							
		Charge		Residue		Per Ton.		% by assay Value.	No. of Bars.	Ounces	Gold	Silver	
		dwt	grs	dwt	grs.	dwt	grs.						
January													
February													
March													
April													
May													
June													
July													
August													
September													
October													
November													
December													

Total

Returns (Annual Summary).

Actual Extraction.					Caustic Soda, Lime and Potassium Cyanide.		
Tons - 1000.	850 1000.	Fine gold recovered.		Actual percentage recovered.	Consumption per ton.		
		Total Ounces	Per Ton dwts		lbs KCN	lbs NaHCO ₃	lbs Zn.
Actual	Total Ounces.						

Month	Ore.			Amalgam	Sponge gold.	yield of Amalgam	Ba	
	Total Received from the mine.	waste rejected	Total Ore milled.				from Plats & Boxes.	from Tubs.

January
February
March
April
May
June
July
August
September
October
November
December

Total

Per N^o 10.

Returns. (Annual Summary).

Gold.		Average fineness of Bar gold	Total Fine gold.	Standard Gold.	Yield per ton of ore milled		Assay Value of ore milled fine gold	Assay Value of Tailings fine gold.	Rem
mills	Total.				Bar gold (dwt)	Fine gold (dwt)			

Total Gold Return

month.	Ore. milled (Tons)	Tailings Cyanided (Tons)	Sluices treated (tons)	Bar gold			Fine gold.		
				mills ozs.	Cyanide 850/1000. ozs.	Total ozs.	mills	Cyanide	Total

January
 February
 March
 April
 May
 June
 July
 August
 September
 October
 November
 December

Total:

ser N^o. 11.

(Annual Summary).

l.	Standard Gold Total Ounces.	Yield per ton.		Total Value of produce £ - s. d.	Total Working Costs. £ - s. d.	Profit in India £ - s. d.	Remarks
		dwts	grs.				

Gold Returns Book. (as sent to foot.)

Name of mining company.

Items.	Weight in Tons.	Bar gold obtained lbs.	Fineness of Bullion.	True gold ounces	Remarks
Quartz raised					
Stuff milled					
Tailings treated:					
(a) In pans					
(b) By Cyanide					
(c) By Other Process.					
Tailings by Cyanide No. 2. works.					
Slimes by Cyanide No. 1. works.					
Gold obtained from Lundry occasional samas.					
Total:					

3 drafts.

SUBJECT.....

Diary No. of letter replied to... ..

Section 97

File No. 38-49

Serial No. 2

GENERAL AND REVENUE SECRETARIAT.

() o
the 191

No. *H 2150*

219' Sept 7

To

The Director of Mines & Geology

See

Signed by.....

I am directed to forward
herewith, for favour of rema.
and return ^{a copy of} ~~the accompanying~~

Letter No Book No 173 D: 26th July
from The Officiating Comptroller
Submitting ^{the} his notes of ^{the} inspection
of the Kolar Gold mining
Companies, and enclosing him with
mining history charts - ~~attached~~ as
per Co. A 22878-9-60. I have

115-17-57 & 1st April 19
Dmer

June 1579/15

Fr. Jd.

20/10/20

~~Adding April 22 1978~~

G. R. S. VI—G/3:

SUBJECT.....

.....

.....

Diary No. of letter replied to.....

Section 97

File No. 3849

Serial No. 3

GENERAL AND REVENUE SECRETARIAT

the

191

No. 72157

9/19/19

To

The Chief Inspector of Mines

Date of issue.....

Signed by.....

Sir,

I am directed to state that the Comptroller has submitted his report of inspection of the accounts of the Kolar Gold mining companies conducted as per para 4 (2) of G.O.M. G. 22878-9 Geol. 115-17-5. 8.8.4 and to request that your reply in the matter may be forwarded to Govt at a very early date.

M.L. 15-9/19
over. J. J.

Clear draft put up

SUBJECT.....
.....
.....

*no
69.*

Diary No. of letter replied to.....

Section
File No.
Serial No.

GENERAL AND REVENUE SECRETARIAT
()
the 191 .

No.

Date of issue.....

To

the Chief Inspector of Mines

Signed by.....

Six

*State that the Comptroller has
submitted his report of
inspection of the activity
of the mining companies
which is being
conducted
not need
action in the ..*

*I am directed to invite
as per
your attention to para 4(2) of
G.O NO. G. 22,878-9 Geol. 115-17-5
dated 8th April 1919, and to inspect
~~engineers when~~ ^{at annual} ~~the report of the~~
inspection of the mining companies
together with suggestions on the
actual work to be done in the
course of annual inspection in future
~~as prescribed therein~~ ^{may} be
forwarded to Govt at a very
early date.*

I have etc

*18 over.
6/5
X
copy to Chief Secy.*

9299
D.M.G. 12].

No. 902

BANGALORE,

24 September 1919.
26..

FROM

DR. W. F. SMEETH, M.A., D.Sc., A.R.S.M., etc.,
Director, Department of Mines and Geology,
Mysore State.

TO

M. N. Krishna Rao, Esquire, B.A.,
Offg. Financial Secretary to the Government
of His Highness the Maharaja of Mysore.

SIR,

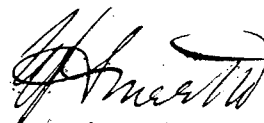
I have the honour to acknowledge, with thanks, the receipt of the Comptroller's Notes on the Inspection of the Kolar Gold Mining Company conducted by him and the Chief Inspector of Mines.

2. The result of the inspection appears to have been satisfactory and does not appear to call for any comment on my part.

I have the honour to be,

Sir,

Your most obedient servant,


Director,

C.N.

Dept. of Mines & Geology.

SUBJECT.....

Diary No. of letter replied to.....

Section *g 7*
File No. *38-19*
Serial No. *5*

GENERAL AND REVENUE SECRETARIAT

, the

191

No. *H.C. 137*

Date of issue..... *15-10-19*

To

The Secretary & Treas.

*Messrs, Taylor & Sons Committee
Coregonum.*

Signed by *W. Freeman*

Sir

Adverting to G.O. NO G. 22878

~~Geol 115-17-5 dated 8th April 1919
directing that the books & accounts of the
Mining Companies on which he inspected~~

I am directed to state that Govt.
have received from their Commission
a report of ^{the first} ~~the~~ inspection of Acc.
of the Kolan Gold Mining Company
made by himself and (the chief)
Inspector of mines. I am to con-
to you the thanks of Govt for all
the ^{facilities} convenience afforded to ~~these~~ ^{these}
officers in performing their work
and ^{for} the readiness with which

all information required was
furnished to them and to express
their ^{grate} appreciation of the country
extended to their officers I have clo

Transmitted

16
6/2

79/15
Full Secy.

Neel
12-10-19

ALL COMMUNICATIONS TO BE
ADDRESSED TO THE SECRETARY.

Telegraph address:—
"COMMITTEE," OORGAUM.

D 1326
Messrs. JOHN TAYLOR & SONS' COMMITTEE,

OORGAUM,

PROVINCE OF MYSORE,

INDIA.

9738-19-6

OCTOBER. 17. 1919.

THE OFFICIATING FINANCIAL SECRETARY

TO THE GOVERNMENT OF MYSORE,

B A N G A L O R E.

Sir,

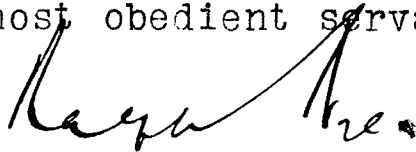
GOVERNMENT INSPECTION OF MINES' ACCOUNTS.

I have the honour to inform you that my Committee have received with great pleasure your intimation in your letter, No.F1.C.137/G.F.38-19-5, dated the 15th October regarding the recent first inspection of Accounts of the Kolar Gold Mining Companies.

I have the honour to be,

Sir,

Your most obedient servant,



Ag.SECRETARY & TREASURER.

SUBJECT.....

Diary No. of letter replied to.....

Section 47
File No. 38-19.
Serial No. 7.

GENERAL AND REVENUE SECRETARIAT,
()
, the 191 .

No. Jc 26 93
24 Nov 19

Date of issue 4 Nov 19

To memo.

Signed by W. J. Cunningham

The marginally
The accompanying noted
Extract of Dewan's order
in G. R. S. VI 389/1919
dated 22/10/19 regarding
the calculation of royalty
on profit instead of dividend
is forwarded to the Chief
Secretary for information and
successful future action

"The question of the
two and half percent
royalty being leviable on
profits instead of dividend
should be worked up
early."

By order
J. H. L.
For 2.11.19

List of enclosure

Copied by

Examined by

Proceedings of the Government of His Highness
the Maharaja of Mysore.

File No.

Serial No.

Read:-

26/9/19 *20/9/20*

Government Order No.G.6087-92/G.P.387-14-18 dated 23rd September 1918 directing that the Coregum and that Fundydroog Gold Mining Companies might be permitted to remove the tailings in the Sonnakkuppan Tank on certain conditions, one of which is to the effect that a royalty of 2½% should be paid on "Profits or dividends".

2. Letter No.BK 2935 dated 15th April 1919 from the Comptroller to Government stating that ~~(=)~~ the two terms "profits" or "dividends" occurring in the Government Order of 23rd September 1918 referred to above were assumed to mean one and the same thing but as a matter of fact they do not; that the Coregum and the Fundydroog Mining Cos. appropriate a part of their "profits" for purposes of capital expenditure and permit only a part of their profits to be declared as dividends; and (1) ^{that} with regard to clause 9 of the leases held by the Kolar Gold Mining Companies, the accounts of the companies show that large amounts out of the Profit and Loss Accounts are written off for capital expenditure on buildings, machinery and plant and that by the calculation of 2½% royalty, as at present made, on dividends instead of on the profits, Government are losing a considerable amount every year, the total loss so far being calculated at 18 lakhs; and urging, for reasons given, that the basis of calculation should in the case of leases be "profits" and not "dividends" and requesting specific orders as to whether the 2½% royalty referred to in the Government Order ~~of~~ of 23rd September 1918 is to be calculated on "profits" or on "dividends".

3. Note dated 7th July 1919, from the Director, Department of Mines and Geology in the matter.

Order

No.

1446-8 *Vol 106.18.4*

Dated, Bangalore, the *20* July 1920.
After a careful consideration ^{of all aspects} of the case, Government are